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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX APPEAL (LOD) NO.779 OF 2005

The Commissioner of Income Tax ..Appellant.

V/s.

M/s.Bhilosa Tex-N-Twist P. Ltd. ..Respondent.

Mr.B.M.Chatterji with P.P.Bhosale for appellant.

Mr.A.K.Jasani for respondent.

CORAM : F.I.REBELLO AND
J.P.DEVADHAR, JJ.

DATED : 22ND OCTOBER, 2007.

P.C. :-

By consent taken up on board and heard forthwith.

2. The revenue has preferred this appeal against the order dated 27/10/2004 of the I.T.A.T. The question of law as formulated is as under:-

> " Whether on the facts and in the circumstances of the case and in law, the Tribunal erred in confirming the order of the CIT(A) and holding that the assessee is eligible for deduction u/s.80-HH AND 80-IA of the Act treating that the activity of texturising and twisting of the yarn is a manufacturing activity ? "

3. The counsel for assessee fairly states that the issue has specifically not been dealt with as required both by the assessing officer and Tribunal. In the light of that the order of the Tribunal as also the assessing officer is set aside and the matter is remanded back to the assessing officer for reconsidering of the nature of activities and dispose it off according to law.

4. Appeal disposed of accordingly with no order as to costs.

(J.P.DEVADHAR, J.) **(F.I.REBELL0, J.)**